

#### IN THE CLAIMS

Please delete claims 11-17 without prejudice or disclaimer, amend claim 9, and add new claim 18, as follows:

1. (Previously Presented) A nickel positive electrode active material comprising nickel hydroxide particles and at least one rare earth compound, the at least one rare earth compound having characteristics produced by treating a rare earth oxide with an aqueous alkaline solution and an oxidizing agent.

2. (Previously Presented) A nickel positive electrode active material according to claim 1, wherein the rare earth compound is at least one selected from the group consisting of: (a) a yttrium compound having characteristics produced by treating yttrium oxide with an aqueous alkaline solution and an oxidizing agent, (b) a lutetium compound having characteristics produced by treating lutetium oxide with an aqueous alkaline solution and an oxidizing agent, and (c) a ytterbium compound having characteristics produced by treating ytterbium oxide with an aqueous alkaline solution and an oxidizing agent.

3. (Original) A nickel positive electrode active material according to claim 1, wherein a total amount of the rare earth compound is in the range of 0.1 to 4.0 wt% based on the nickel hydroxide particles.

4. (Previously Presented) A nickel positive electrode active material according to claim 2, wherein the rare earth compound is a combination of the yttrium compound and the lutetium compound, wherein the two compounds meet satisfy the

relation  $50 \geq X \geq 5$ , when weights of the yttrium compound and the lutetium compound are (100-X)% by weight and X% by weight, respectively.

5. (Previously Presented) A nickel positive electrode active material according to claim 2, wherein the rare earth compound is a combination of the ytterbium compound and the lutetium compound, wherein the two compounds satisfy the relation  $50 \geq X \geq 5$ , when weights of the ytterbium compound and the lutetium compound are (100-X)% by weight and X% by weight, respectively.

6. (Original) A nickel positive electrode active material according to claim 1, wherein the aqueous alkaline solution is an aqueous solution containing at least one selected from the group consisting of lithium hydroxide, sodium hydroxide and potassium hydroxide.

7. (Original) A nickel positive electrode active material according to claim 1, wherein the oxidizing agent contains at least one selected from the group consisting of an aqueous sodium hypochlorite solution and an aqueous potassium hypochlorite solution.

8. (Previously Presented) A nickel metal hydride storage battery comprising:

a positive electrode mainly comprising a positive electrode active material, the positive electrode active material comprising nickel hydroxide particles and at least one rare earth compound, the at least one rare earth compound having

characteristics produced by treating a rare earth oxide with an aqueous alkaline solution and an oxidizing agent;

a negative electrode mainly comprising a hydrogen-absorbing alloy; and

a separator.

9. (Currently Amended) A nickel positive electrode active material comprising nickel hydroxide particles and at least one rare earth hydroxide precursor, wherein said at least one rare earth hydroxide precursor is a substance obtained by treating a rare earth oxide with an aqueous alkaline solution and an oxidizing agent.

10. (Previously Presented) A nickel metal hydride storage battery comprising:

a positive electrode mainly comprising the positive electrode active material of claim 9,

a negative electrode mainly comprising a hydrogen absorbing alloy; and

a separator.

11-17. (CANCELED)

18. (New) A nickel positive electrode active material produced by the steps of:

a) treating a rare earth oxide with an aqueous alkaline solution and an oxidizing agent to produce a rare earth compound and, thereafter

b) adding nickel hydroxide particles to the rare earth compound.